

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**  
**June 8, 1989**

**Mr. Chairman:** — I'll call the meeting to order. When we left, Mr. Wolfe had a question for Mr. Lutz, and I'd like to call on Mr. Lutz to make his comments at that time.

**Mr. Anguish:** — Mr. Chairman, I'd like to make an apology to the committee and to Mr. Neudorf. On page 341 of *Hansard* it's quoted as "inaudible interjection" and I'd like to withdraw the remarks that I directed towards Mr. Neudorf at the last meeting of the committee on June 6, yes, Tuesday, June 6.

**Mr. Chairman:** — Thank you, Mr. Anguish.

**Mr. Lutz:** — Mr. Chairman, at the last meeting I believe there was a question left on the record relative to audit fees; I think that's what that was: could I ask the Provincial Auditor to make a comment about who pays who?

In the case of appointed auditors, their audit fees are paid by the Crown which they audit. Occasionally, as a special assignment, I have been asked to do some work. We did one on the Saskoil prospectus some years ago. In that event I will bill Saskoil for that work.

But as far as the Provincial Auditor is concerned and fees he may charge, I would explain it this way. Treasury board required my predecessor to charge audit fees to certain organizations he audited. When I assumed the position of Provincial Auditor, I continued the practice. The audit fees I charged were nothing more than a source of revenue for the Consolidated Fund. Audit fees received were transferred to the Consolidated Fund to be used for general government purposes. I provide no service to the organization being audited, other than on a special assignment. My services are rendered to the Legislative Assembly. I submit the fee for my work in the form of my estimates, annually. I was not engaged by the organization to conduct the audit, nor do I take instruction from management or the board of directors of that organization as to the scope of my audit. My audit scope is set by the Legislative Assembly in The Provincial Auditor Act.

**Mr. Wolfe:** — So as I understand it, you can bill the Crowns?

**Mr. Lutz:** — Yes.

**Mr. Wolfe:** — And you have billed the Crowns in the past?

**Mr. Lutz:** — Yes. Yes.

**Mr. Wolfe:** — So Mr. Rolfes' comments about . . . made earlier . . . I should maybe quote from him, but I believe he was referring to . . . he made the comment, "They're not working for the Legislative Assembly, number one, we are not the client. The client is Executive Council." He was referring to private auditors and Crowns. So your position really isn't a whole lot different, is it?

**Mr. Lutz:** — Oh yes, Mr. Chairman, my position is different. I am the officer of the Assembly responsible for the audit of all public money. And just as there is one

Executive Council responsible for the administration of all public money, so there must be one officer of the Assembly responsible for the audit of all public money. The appointed . . .

**Mr. Wolfe:** — But as far as . . .

**Mr. Lutz:** — I'm not finished.

**Mr. Wolfe:** — Oh, I'm sorry.

**Mr. Lutz:** — The appointed auditor does not substitute for me, and I cannot abdicate my responsibility.

**Mr. Chairman:** — Do you want to move that then? There's a copy of it there.

**Mr. Wolfe:** — When the appointed auditor is hired, as I understand it from the reading the Act, the appointed auditor basically takes on the role of a provincial auditor. He has the same powers and duties.

**Mr. Lutz:** — Mr. Chairman, he is required by the Act to do what I do, but he may conduct his audit in any manner he deems necessary. He may do his own audit his own way.

**Mr. Wolfe:** — But your first comments about that, sir.

**Mr. Lutz:** — I'm sorry.

**Mr. Wolfe:** — Your first comments — I didn't catch them. I'm sorry.

**Mr. Lutz:** — He may do his audit whatever way he wishes to do his audit.

**Mr. Wolfe:** — But when he's hired by them, he takes on the same role and responsibilities as the Provincial Auditor, as I understand it. Correct me if I'm wrong.

**Mr. Lutz:** — Mr. Chairman, there is a fine point of distinction here. He does not take on the same role, but he does have the same examination responsibilities. There is only one officer of the Assembly responsible for the audit of all public money. When the appointed auditor accepts that engagement, he does not substitute for me; I still have to form those opinions.

**Mr. Wolfe:** — No, I understand that. But whenever he takes on an audit for a Crown, just as you might take on to audit, to take a special case for a Crown, he's paid by that Crown and you're reimbursed by that Crown. When he takes on a role as an auditor, he takes on the same role and responsibility as you do, as I understand it, in doing that audit.

**Mr. Lutz:** — Mr. Chairman, I think we have to again point out the distinction. He does not take on the same role, but he does have the same examination responsibilities.

**Mr. Wolfe:** — So he has the same examination responsibilities with regards to performing that audit. So he takes on a similar role as you might in doing that audit for a Crown.

**Mr. Lutz:** — Mr. Chairman, since there is only one officer of the Assembly responsible for auditing all public money, I think you could look on that other auditor as my eyes and ears out there to the same degree that my staff are my eyes and ears out there, and at the completion of the audit I still have to form the opinions which end up in this book, because he does not substitute for me.

**Mr. Wolfe:** — No, I understand that. It's just that when those auditors take on that duty, they have the same role in performing that audit, the same responsibilities to the Legislative Assembly as you do if you were doing the audit . . . (inaudible interjection) . . . No, but in performing the actual audit work.

**Mr. Lyons:** — Words have meanings, Mr. Wolfe. Words have meanings.

**Mr. Chairman:** — Mr. Wolfe has the question; let the auditor answer him. Other members may want to ask questions, too, or have an opportunity to comment after.

**Mr. Lutz:** — Mr. Chairman, what I have said, I think I will repeat. The appointed auditor does not substitute for me. There is only one officer of the Assembly responsible for the audit of all public money. The appointed auditor will be my eyes and ears out there, the same as my staff are my eyes and ears out there, but I am required to form those opinions and report to the Legislative Assembly on these matters.

**Mr. Wolfe:** — I understand that, but when the private auditor takes on the auditing of a Crown — and I recognize that this is under your auspices — but when they take on that role of auditing a Crown, don't they take on the same responsibility, the same role, similar duties and responsibilities to the Legislative Assembly as you do if you were doing that audit?

**Mr. Lutz:** — Mr. Chairman, the examination standards as listed in section 11(1) of the Act apply to those other auditors as well as they apply to me. It's on page 4 of Appendix I.

**Mr. Wolfe:** — So could you just go through those just briefly. I'm just trying to . . .

**Mr. Lutz:** — Mr. Chairman, if we look at Appendix I, page 4, there is a broad heading here, duties and powers. If we look at 11(2):

An appointed auditor is subject to the examination responsibilities prescribed in clauses (1)(a) to (d).

And 11(1) says:

The provincial auditor is the auditor of the accounts . . .

Therefore the appointed auditor is subject to the same requirements as I am, but he does not substitute for me. He cannot substitute for me. There is only one legislative auditor responsible for the audit of all public money.

**Mr. Wolfe:** — I recognize that. At the same time, when he performs that audit he has the same duty, the same role

and responsibility to the Legislative Assembly as you would if you were doing that audit . . . (inaudible interjection) . . . Refer to page 90 or 91.

**Mr. Lutz:** — Mr. Chairman, the appointed auditor has the same examination requirements as I have, but he cannot substitute for me as I am the only officer of the Assembly who has been appointed to audit all public money.

**Mr. Wolfe:** — I recognize that, but the question is that when a private auditor takes on the responsibility of doing an audit of a Crown, he has the same responsibility to the Legislative Assembly as you do, as I understand it, in performing that audit.

**Mr. Lutz:** — Mr. Chairman, the appointed auditor has the responsibilities to audit . . .

**Mr. Chairman:** — Order.

**Mr. Lutz:** — . . . and he may report, but his report is subject to my approval because I have to end up coming to the opinion on whatever he has reported. That's why the things I report in this book on what other auditors have said or done are still in this book under my signature because I am responsible to report those matters to the Assembly.

**Mr. Wolfe:** — But when he takes on the audit for that Crown, he takes on the same responsibility to the Legislative Assembly as you do, if he takes on the duties and powers that are laid out.

**Mr. Chairman:** — I wonder, Mr. Wolfe. The questioning is becoming somewhat repetitive. You've asked the same question now a number of times and we have the same answer that keeps coming forward. And I wonder if, you know, if you have a different question, please put it, but . . .

**Mr. Wolfe:** — I guess, Mr. Chairman, it's just that I really haven't got it clearly put forward.

**Mr. Chairman:** — Well then I invite you to rephrase it. I should point out that you weren't on the speaking order; you interjected last time at the end of the meeting and asked a question, and I've allowed some leeway in asking.

**Mr. Wolfe:** — Maybe the Provincial Auditor could just briefly state once more just to clarify . . .

**Mr. Chairman:** — But there's lots of time to go back to this

if you want to think about the questions you want to ask. Mr. Lyons was next on the speaking order. And I can certainly put you on the speaking order again if you want to think about the questions you want to put to him.

**Mr. Lutz:** — Mr. Chairman, perhaps I could get some clarification. The tenor of the questions . . . maybe I'll ask Mr. Wolfe. The tenor of your questions seem to indicate that perhaps you believe the other auditor substitutes for me. Is this where we're going with this thing?

**Mr. Wolfe:** — No, no, no. And I guess maybe that's why I just wanted to pursue the questioning, because there could be a misunderstanding there, and I sure don't want there to be.

**Mr. Lutz:** — Well maybe . . . perhaps, Mr. Chairman, I'll refer to the legislation again. Section 11.1(1) states in the Act, and I haven't got the total section here but the gist will be available:

In the fulfillment of his responsibilities as the auditor of the accounts of the Government of Saskatchewan, the provincial auditor may rely on the report of the appointed auditor of a Crown agency or a Crown-controlled corporation if he is satisfied that the appointed auditor has carried out his responsibilities (etc., etc.) . . .

Section 11.1(2) says:

Where the provincial auditor determines . . . that he is unable to rely on the report of the appointed auditor with respect to a Crown agency or Crown-controlled corporation, the provincial auditor shall conduct (etc., etc.) . . .

Now these sections identify the Provincial Auditor as the auditor of all public money. And through the provisions relative to reliance, it identifies the provincial auditor as the officer of the Assembly responsible for the audit. While I may rely on the appointed auditor, he cannot substitute for me and I cannot abdicate my responsibility. And the Act contemplated that very situation. I can't explain it any better, I believe.

**Mr. Wolfe:** — No, no, I'm clear on that. And the reason the question was asked, it's in response to Mr. Rolfes' comments about who's paying who, and that was why the initial question was asked. And if you take a look at 11.1(2):

Where the provincial auditor determines pursuant to subsection (1) that he is unable to rely on the report of the appointed auditor with respect to a Crown agency or Crown-controlled corporation, the provincial auditor shall conduct additional audit work with respect to the accounts of that Crown agency or Crown-controlled corporation.

In that case, you can bill the Crown directly. And as I understand it, and please correct me if I'm wrong, the incidents that you've mentioned about Saskoil, that kind of an incident has occurred. In that case, the Crown corporation was, as I understand it, reimbursing the Provincial Auditor for work done — no different than a

private auditor being reimbursed for work done as a private audit.

**Mr. Chairman:** — Order, please. Order. Order. Order.

**Mr. Lutz:** — Mr. Chairman, in the special examination field, of which there are very few — well, we'll use the case of Saskoil and their prospectus — in that event I was in fact taking my direction on the work to be done from the Executive Council, and I was doing the work on Saskoil and I was reporting to Executive Council. And I billed Saskoil, and they paid that bill. Now for all other work I do, my bill for my services is rendered in the form of my appropriation which is voted by the Assembly. That is where I get my fees, if you will — there is a difference.

Now back in the days when I did charge fees, it was nothing more than a pass-through of money to the Consolidated Fund for general government purposes.

**Mr. Wolfe:** — And in the case of Saskoil, was that the case?

**Mr. Lutz:** — In the case of the Saskoil thing, I believe that came into our vote because we did incur additional costs, and we offset those additional costs with the amount of that nominal fee, whatever it was.

**Mr. Wolfe:** — So the Crown paid the Provincial Auditor's department?

**Mr. Lutz:** — Yes, and in that case we also worked for the Crown; we were doing their prospectus.

**Mr. Wolfe:** — So it wasn't any different than the private auditor billing the Crown and being reimbursed?

**Mr. Lutz:** — Yes, Mr. Chairman, there is one other difference here, I believe, where if I do 11(2) work, namely, where I cannot rely on the other appointed auditor, I do not bill the Crown for that work. That comes out of my appropriation; that's part of my normal audit duties, and that is paid for through my appropriation.

**Mr. Wolfe:** — And that would be . . . But in the case of Saskoil, you're basically reimbursed by the Crown, similar to the private auditor being reimbursed by the Crown. And your responsibility is the Legislative Assembly; their responsibility is through the Legislative Assembly. You have the responsibility to oversee that work.

**Mr. Lutz:** — No. In the case of the special project, there is no responsibility to the Legislative Assembly. I have been appointed under the special project provisions. My responsibility is to the Crown.

**Mr. Wolfe:** — But . . .

**Mr. Chairman:** — The speaking order I had at the tail-end of the meeting last time had Mr. Neudorf and then Mr. Lyons. And immediately prior to the adjournment, Mr. Wolfe, you interjected with a question, and the auditor has been gracious enough to come back to us with the answer, and I think that we've been gracious in allowing you some follow-up questions. But the speaking order I

do have does have Mr. Lyons, now has Mr. Rolfes as well.

If you want to get back on the speaking order and ask more questions, you're certainly free to do that, but at this point I think we should move on, in fairness to others who had signified their intention of wanting to speak to the motion, the motion of Mr. Martens, and allow them the opportunity to do that. So therefore, I would . . . I'm going to ask Mr. Lyons to pick up discussion on the motion as he seemed interested in doing, but I want to just allow Mr. Lutz one final comment and then we'll move to Mr. Lyons.

**Mr. Lutz:** — Mr. Chairman, in the case of appointed auditors, in the past, as I said earlier, these appointed auditors are my eyes and ears out there, the same as my staff are my eyes and ears. There have been occasions when, if this committee calls a Crown who has an appointed auditor, I have had the ability to call that appointed auditor here and sit as my assistant to deal with the fine points of questions as they may arise in the interest of hopefully giving quality answers.

I would hope that this motion that the members are dealing with this morning would not preclude me from continuing that practice, or I would hope it wouldn't put that practice in jeopardy, because if this committee does call a Crown that had an appointed auditor, I have him here to answer the fine points. I would hope this motion won't jeopardize that arrangement. That's all.

**Mr. Wolfe:** — Thank you very much, Mr. Lutz, and thank you, Mr. Chairman, for the liberty.

**Mr. Lyons:** — Basically, Mr. Chairman, I was going to say is that I tend to support the thrust of Mr. Martens's motion, provided that it's understood that we're not dealing here with solely the private sector auditors on a full-time basis, that the private sector auditors are only called when the Crown that they have audited is present, and if the people from the Crown feel that there's need for them to be there.

I take it that that is the intention of the motion as I read it. And I want to, before voting on it, find out from other members of the committee whether or not that that's their understanding as to the intention of the motion.

Secondly, I also want to amend that motion, and I haven't got the wording, but it'll be amended to the intent that any other official that is deemed necessary to be called as a witness in regards to these hearings, be as we have the right to summon them as well, and that be specifically understood to include those officials for particular corporations such as WESTBRIDGE Computer Corporation.

We don't want anyone, given the Crowns' obvious involvement in a corporation such as WESTBRIDGE, I don't think that anyone from the committee would want to have officials from WESTBRIDGE hiding behind claims of private sector anonymity. That in fact that because there is government involvement in those corporations, we will certainly have those officials called here, or any other corporation that we deem to be necessary.

So if we can get some clarification, I think, from those

members what is the intention of the motion . . .

**Mr. Wolfe:** — What was the first part?

**Mr. Lyons:** — The first part's very simple. That the intention to call the private auditor is not to have the private auditor sit here through the whole hearings of this committee meeting, but in fact only with the Crown that they've audited.

**Mr. Wolfe:** — I think that's only common sense.

**Mr. Muirhead:** — It says that right here.

**Mr. Lyons:** — I've read it, but I want total clarification of the motion. Right? You will appreciate, Mr. Muirhead, more than the other members of your committee, why.

**Mr. Chairman:** — I might just . . . on the amendment, the amendment is certainly in order, as was the motion. But I would point out to members that both the motion and the amendment are somewhat redundant.

The standing orders and the rules of the House, the standing orders for committees, indicates in 88(1), the rules of the House, and I would just read this:

At the commencement of the First Session of each Legislature a Continuing Select Committee, consisting of nine Members, shall be appointed with the power to call for persons, papers and records and to examine witnesses under oath and whose duty it shall be to establish, from time to time, select committees with the power to call for persons, papers and records and to examine witnesses under oath and with the power to travel and to hear testimony away from the seat of Government.

It is my understanding that we have the same rights as indicated in section 88(1), so that we have that right as a committee to call persons, papers, and records, and examine witnesses under oath.

So to move a motion to say that, you know, we're going to call private auditors, and then to amend that by saying that we're going to call other officials is certainly in order, but it's not really necessary. That's the point I wanted to make.

**Mr. Wolfe:** — Mr. Chairman, I think the intent was to . . .

**Mr. Rolfes:** — Mr. Chairman, I believe I have the floor next.

**Mr. Chairman:** — Mr. Rolfes has the floor.

**Mr. Rolfes:** — Mr. Chairman, you made one of the points that I was going to make, and that is that the motion and the amendment were redundant, that we don't need them, that we have the power, the committee has the power to call witnesses and subpoena witnesses, and therefore the motion isn't necessary.

The other question I do have, and that's maybe one of clarification. If we call these people, do they come at their

own expense, or do they come at the public expense? I mean, do we pay these people when they appear before . . . must they be paid?

**Mr. Robert:** — I don't know what the policy is here.

**Mr. Rolfes:** — I don't know either. Because that could be quite an expense, and I think we should take that into consideration. But my main point was that I think both motion and the amendments are redundant because the committee does have the power to call any witness that we wish. So that was the point that I wanted to make.

**Mr. Muirhead:** — Mr. Chairman, I agree with what you're saying, that we have the right here as a committee to call any witnesses or whatever. But this motion says that in each instant that we're going to do it — that's what this motion is saying — that each instant that we are going to call that auditor, not that we may. That's what this motion . . . that's why I think it's in order. Because we're saying in each instant the auditor to be required to attend as a witness for the Public Accounts Committee, it's just . . . we're going to do it, not just that we have that right. We knew we had the right.

**Mr. Chairman:** — I don't . . . I didn't rule that the motion was out of order. And Mr. Lyons wanted to move an amendment, although we don't have it yet, and that's in order. I simply wanted to point out, in case members weren't aware of it, what the rules do say, so that . . .

**A Member:** — Thank you.

**Mr. Chairman:** — . . . we're aware of the fact that there might be a bit of a redundancy, but the way you put it, perhaps there isn't.

**Mr. Lutz:** — Mr. Chairman, I think perhaps I either need some clarification, or I will try to give some. In the event that this committee were to call, say, Forest Products, or anyone, I would anticipate that I would have that auditor here as my resource person, sitting beside me — well I've done this in the past. If that auditor sent me a bill for his attendance here, I would probably pay him out of my vote.

This motion is saying, I think, that in every case you would have that auditor down there a witness. That therefore sort of takes him out of my particular proposal, and I don't know where this would go from here. He would not any longer be my support staff, I think. Is this what you're saying, Mr. Muirhead? If he's down there, he's not here, and he can't be both, and there would be a conflict.

**Mr. Wolfe:** — I don't think I understand why there'd be any difference at all.

**Mr. Muirhead:** — Mr. Chairman, Mr. Lutz asked me the question there. Mr. Lutz, you're the one that's made the accusations that these Crown corporations are not audited in a proper manner, so we want to bring these here auditors in here, and any private auditor in any fashion that can be legally done, whether it's sitting beside you or sitting down here. But we want them here for the sake of the opposition and sake of the people on

this side, to say the facts, to get out the truth, whether you're right in your accusations or whether you're wrong.

I don't care how you bring them in, Mr. Lutz, whether they're beside you and you pay them out of your vote money, or they sit down here, as long as they're here. Because we've got to get this . . . this has got to come to an end, this business of making public accusations about the Crowns, because maybe you're right, but maybe you're wrong. Let's let them speak for themselves, and you can maybe argue it out with them, some of these accusations that are made in here.

**Mr. Lutz:** — Mr. Chairman — thank you, Mr. Muirhead — in that event I certainly believe they should be down there, and they couldn't be here, that's true. Agreed. Agreed.

**Mr. Wolfe:** — Mr. Chairman, I guess just further to support what Mr. Muirhead has said, I think that the heart of the motion was to request in each instance where a private auditor has been given the responsibility to audit for the Legislative Assembly under the auditor's Act that this auditor be required to attend as a witness for public accounts. So the intent is just to pursue what the Clerk has brought to our attention is our right and our privilege as a working committee.

But in this case, and because of some confusion about responsibilities of private auditors and their responsibility to the Legislative Assembly, I think that it's paramount that they be here. I really have a problem in understanding how someone who might sit next to the Provincial Auditor might be any different than any other witness that would here be at any other time. I have a real problem with that.

To think that someone who sits next to an official is any less or any more of a witness than someone else, or has any more or less of a responsibility, is a concern to me. And I can't see for the life of me how the Provincial Auditor could make a comment such as that.

**Mr. Lutz:** — Which comment was that please, Mr. Chairman?

**Mr. Wolfe:** — I have a problem and a concern that you would have a concern about whether those private auditors be sitting next to you or sitting across the table. Their responsibility to this committee is no different, and their responsibility to the Legislative Assembly and the people of the province is no different.

**Mr. Lutz:** — Mr. Chairman, perhaps I could respond. Mr. Muirhead clarified the point nicely. I think that appointed auditor wouldn't be sitting here. He would be sitting down there.

The other point I make, I guess, is that I am an adviser to this committee until I move down there and there is a difference in position. And certainly, if I have that other appointed auditor as my support staff because he is my eyes and ears, there would be a difference. But if it's the wish of the committee that he be down there as witness, I have no problem with that.

**Mr. Wolfe:** — I guess then, and I apologize if you've taken it wrong, my concern is that as an adviser to you and a witness to this committee, their responsibilities to this committee really aren't any different as I understand it.

**Mr. Lutz:** — Well, Mr. Chairman and Mr. Wolfe, I guess I'm going to have to say that if I sit here, my function is adviser. If I sit down there, I'm a witness, and I have no function but to answer questions — there is a difference. If I were down there, I wouldn't be involved in this dialogue right now. I think that is the difference. As Mr. Muirhead said, if they're going to be down there, I have no problem with that.

I thought I would point out to the meeting, before it commenced, that I have in the past had that auditor here as one of my advisers, my eyes and ears, for the fine print if you will, when these matters arise, but if it is the wish of the committee that he be down there, I don't have a problem with that.

**Mr. Wolfe:** — Okay. No, I thank you. I just wanted to be clear on that. Thank you very much.

**Mr. Chairman:** — I have Mr. Anguish, Mr. Lyons, and Mr. Rolfes.

**Mr. Anguish:** — I think at some point we have to get some kind of agreement on what the purpose of the committee is and what the different roles and responsibilities are. We started out, with all due respect to Mr. Wolfe, this morning having him say that the duties and the powers and the roles of the Provincial Auditor and a private sector auditor are no different. And now there's been pointed out a very vast difference in terms of what the government members want to do.

As I see it, when we have the Provincial Auditor and his staff here as an officer of the Assembly, and in the past where private sector auditors had audited Crowns, worked as support staff to him when they appeared before the committee, now we see the role of the private sector auditors really changing, and that is, bringing them in as witnesses. I think there can be no other motivation in that, other than to set up a confrontational situation between the Provincial Auditor and the private sector auditors.

And Mr. Muirhead, you pointed it best that you want to determine . . . I can't quote your words exactly, but you wanted to find out whether or not the Provincial Auditor was telling the truth. And I don't know; that's a blatant slap at a Provincial Auditor.

**Mr. Muirhead:** — Point of order. I just want to clarify that I didn't say anything about telling the truth, whether he was correct in his statements or whether the private auditor was correct, because they've conflicted with one another. I didn't say telling the truth. You can have a conflict and not agree, Mr. Chairman. You can have a conflict and not agree. Nobody's saying that he . . . I never made such a statement, that he lied, or not telling the truth. I said that he's saying statements contrary to the private auditors, and we need to have them in here to clarify. That's what I meant.

**Mr. Chairman:** — I think this is a matter of debate and emphasis. Mr. Anguish, please continue. The point of order is not well taken. It's a matter of debate. It's a matter of emphasis and a matter of semantics.

**Mr. Anguish:** — But certainly I don't know that ever before in this committee . . . Well, Mr. Martin, if you're upset, I withdraw that term. I was trying to paraphrase what Mr. Muirhead has said, and he made his interjection to clarify what he had actually said, but it still causes a confrontational role.

And I don't think that's ever happened in the Public Accounts Committee in Saskatchewan. And I would venture to say that it may never have happened in any public accounts committee in the whole Commonwealth, where an officer of the Legislative Assembly is put in a confrontational role with private sector auditors, because their role, at least traditionally — unless we're starting to change tradition here — traditionally their role has been very, very different.

I think, unless we find some way to show respect for officers of the legislature that they do serve us all, then we're going to not be very fruitful in this committee in terms of what we're able to produce for the good of the public, and especially the public purse. So I suppose I would have to agree with Mr. Martens' motion and the amendment also, made by Mr. Lyons, that people from the Crowns should be called in.

We have to get this whole issue straightened out, but certainly the role of the auditor is changing from tradition in terms of the position that you want to put the auditor into, whether it's this current auditor or . . . I don't know . . . I don't think he'll be there for ever; there must be some point at which he'll retire. There'll be another auditor come in. But the auditor has to have the confidence of the members of the Legislative Assembly.

And I don't know any auditor that would put in information into a report that would be inaccurate. Now it's sort of like if you have a medical problem and it seems to be your ticker, do you believe the heart specialist at the University Hospital in Saskatoon, or do you believe a family doctor who might come from some small rural town who's trying to do a good job but is in a general practice?

**A Member:** — Quite a difference between a Coopers & Lybrand . . . (inaudible) . . .

**Mr. Anguish:** — Well there's a difference between Coopers & Lybrand, my dear friend Jack Wolfe, because they aren't public sector auditors; they're private sector auditors. And unless you guys find some way in your caucus to show respect for officers of the Legislative Assembly, you might as well just pass legislation like you do in other cases and change the rules so there isn't a Provincial Auditor, if that's your intent.

I would venture to say you couldn't find a precedent anywhere in the Commonwealth for what's happened in regard to the Provincial Auditor in Saskatchewan. You couldn't find a precedent anywhere in the Commonwealth. And I challenge you members on the

government side to do that. You look for a precedent as to what has happened over the past weeks since the 1988 auditor's report came down, and you present a precedent like that here in this committee — and I would venture to say it doesn't exist. And if you continue to attack the messenger because you don't like what he's saying, it's a big slap for democracy.

That's all I have to say.

**Mr. Lyons:** — I think it's important that we just try to get things back on track here. Very simply the issue we have here is this. There is nowhere that I can look in the auditor's report where the Provincial Auditor says that private sector auditors can't audit, that they're not professional, they can't do their tools. That's not what the auditor is saying in the auditor's report.

The auditor is saying quite clearly — the message in his report is that the Executive Council, i.e. cabinet, has interfered in his work and has issued directives, for example through CIC (Crown investments corporation of Saskatchewan), and have tried to shift the blame somehow out there into the Provincial Auditor and then set up a scenario where it's a turf war between auditors. And that's not what it is.

And if the intent of Mr. Marten's motion is to somehow try to carry out that political operation where it's trying to pit the Provincial Auditor against a private sector auditor, I can tell you, my friend, I'm going to end up voting against the motion because that is not what is in the auditor's report, nor is that the intent of the auditor's report.

When the auditor talks about accountability, when he talks about accessibility, he's saying that it's Executive Council, for example through CIC and the Crown management . . . who issue directives to Crown Management Board, that he's not able to carry out his work.

So that's not the issue, and I don't think we should get in the way of making that the issue. In fact, I'm going to move an amendment that, as opposed to the word "witnesses" in the original motion, I want to amend that to read "resource people for the Provincial Auditor", so that we get it fairly clear and fairly straight that if the Provincial Auditor has questions of the private sector auditors, he has direct access, as he has had in the past, to those private sector auditors, and that it's not a question of this committee questioning Coopers & Lybrand over technical details over how to conduct an audit, or Peat Marwick of how to conduct an audit, because that's not the issue here.

The issue here is the attempt on the part of Executive Council on behalf of the cabinet to hide and cover up 50 per cent of the public spending of the people of this province. And that's the way the committee will be conducted. That is the way the committee will examine, and that is the line of reasoning that we have got to undertake, not to get into technical arguments between the Provincial Auditor or the private sector auditor, should there be some. And I can't remember by going and reading this report that there are any, and I don't think you can point to any in this, on terms of technical differences

of how to conduct an audit.

So having said that . . . I would move another amendment:

That the word "witnesses" be struck and "resource people" be inserted thereto.

And that changes the location of those auditors . . . private sector auditors from that end of the table up to beside Mr. Lutz when we're examining the officials who are ultimately responsible for the conduct of the Crowns, which are the cabinet and the other political operatives that head up companies like WESTBRIDGE.

**Mr. Chairman:** — Point of order. There's an amendment on the floor, and we can't entertain two amendments at the same time so . . .

**Mr. Lyons:** — I didn't say I would move it at this point in time, I said I will move it.

**Mr. Chairman:** — Okay.

**Mr. Rolfes:** — Mr. Chairman, I want to talk a bit about the motion. Originally I had supported the principle of the motion, because I thought it was a good one, until the member from Arm River spoke and then I found out what the real intent of the motion was. And I'm surprised at that. I had hoped that it would be as a resource person, but the member from Arm River said that the truth shall come out of accusations made . . . of the accusations made, and accusations, of course, made by the Provincial Auditor. That's what he was referring to.

And I want to examine his words; I want to examine his words as recorded in the minutes. And you very specifically used the word "truth" and "accusations." And when you say that you did not use the word "truth", from the member for North Battleford, that simply isn't true and the minutes will record that. And I want to examine that, Mr. Chairman, at our next meeting.

But I will withdraw my support from the motion if it's the intent of the government members to continue what they artificially have set up as an argument that it's a turf war between the Provincial Auditor and the private auditors, because that is simply not the case.

If you read the report, what the Provincial Auditor is saying that he can't do his job because of interference by the Executive Council in the mandate that has been given to him by the Legislative Assembly. They have interfered with his work and he's simply saying that he can't do his work. And that is what this committee should be looking at as to why the Provincial Auditor has been interfered with by the executive branch of government.

And I think it is very clear. You look at the reports that have been submitted by the private auditors. They are really of very, very little value to a member of this committee. They are certainly not the kind of report that the Provincial Auditor would produce for us on the mismanagement and the expenditure of money by the government.

I have read through some of those reports, and some of those reports contain absolutely nothing of value to me — of absolutely no value to me as a member of this committee. And I think Mr. Lutz made the statement very clearly. He is here as an adviser to us, the committee, to help the committee in our examination of the expenditures of the public moneys by the government.

That is what this committee is supposed to be doing, is to examine whether the money has been spent properly, whether it has been spent according to law, and whether the government has managed or mismanaged the funds of the province. That's our mandate, all members' mandate. And if this committee's going to be turning itself into a committee that is going to arbitrate or trying to find out what the turf war is all about, which they have artificially set up by the Minister of Justice, then I certainly oppose it. And if that's the intent of the motion, you no longer have my support for that motion.

**Mr. Hopfner:** — Mr. Chairman, I guess probably with all the very broad statements that have been made here this morning, we're basically back to the same kind of argument that was in this room in February when we tried to get into the '86-87 auditor's report. And basically it's reversed now. We on the government side had been accused of not wanting the committee to work. And the same questions that we were trying to ask is now ... what we were trying to ask were being stymied by members of the opposition.

What we wanted to have set up was a non-political forum, and now all of a sudden the members of the opposition want to have a political forum. They were accusing us of ... or they were saying to us, pardon me, that they were not trying to bring politics into this committee or anything like this. Basically, it is now them saying that the role of this committee can no longer function with us having private auditors or the Provincial Auditor here to answer the questions because of the particular statements that have been made in ... Well, I'm a little confused on my side of things here, too, because here's the point I'm trying to make. First of all, the member from the Battlefords indicates that he wants ... he doesn't want anything to do with the private auditors in this room due to the fact that he's ...

**Mr. Anguish:** — I did not state that.

**Mr. Chairman:** — Mr. Anguish, you're on the speaking list and you certainly can always respond to items raised in debate.

**Mr. Hopfner:** — They want nothing to do with private auditors in this committee. Number two is that private auditors, the member from Saskatoon South had indicated that they're useless reports.

Number three, the auditor himself has no problem with the private auditors being in this room in whatever capacity.

Number four, where it comes to the point of us being able to ask questions, you get clarifications because of the political intent of the auditor's report that the members of the opposition have made it, that the members of the

opposition have turned the auditor's report into a political forum in this committee.

And I believe that members of the opposition do not want the truth to come to this committee. They do not want anything but a political grandstanding in this committee. And this committee cannot function. And the member from The Battlefords had stated that earlier, that this committee cannot function because of the politics in this room.

We didn't bring the politics into this room. The members of the opposition of this committee have brought the politics into this committee. They accused us of bringing the politics into this committee and not wanting it to work. Well, Mr. Chairman, I want to indicate to you that we had carried this committee, as the government members, because members of the opposition refused to ask questions of various departments.

So I want to indicate to you that unless we as a committee can get into and back onto the track of the motion and just clearly bring these people here, which we have the right to do anyway, as you had indicated earlier, without getting into a whole bunch of amendments and everything else, we could vote on this motion, get it off the works and discussions of this committee, and get on with setting out the agenda that we want to work with, and get on the working of this committee.

But if members of the opposite are going to be continually throwing in amendments after amendments after amendments and making accusations that these people are useless and redundant to this committee, that this is the way this committee is going to work, as the member from Rosemont was saying, this is what we're going to be doing and this is how the committee's going to work, well this committee isn't going to work that way. We're going to have to work together. The politics are going to have to leave. We cannot use the auditor's report as a political machine.

The auditor himself has indicated that he had not made any political statements or meant anything politically by this. So what are the members of the opposition trying to do here? What they're trying to do here is make a political grandstand on the Provincial Auditor's report to smear the Minister of Justice, to smear the Premier and the government for no reason at all, as we've known in the past that a lot of the concerns of the auditor when they've been stated, as they have been stated here, where he's had problems with various departments, that they've been cleared up with the various departments.

What the auditor is doing with this auditor's report is basically pointing out the problems he had with the department. And that's particularly it. And when we bring in these departments, we ask the auditor: do you have any more concerns? Are these concerns still a concern with you? And if he says yes ... and we ask department officials, we ask them where and why these things have not been cleared up or whatever. I'll tell you, you know, like, we can ...

**Mr. Chairman:** — A point of order. The chairman has to leave, and this was indicated beforehand at 9:30 ...



**Mr. Hopfner:** — Is that a point of order, because the chairman has to leave?

**Mr. Chairman:** — Well it is from the point of view that Mr. Hopfner, as vice-chairman you would normally take the chair, but you're now addressing the chair, and the committee has held that if the chairman wants to do that on substantive motions, he should step out of the chair.

So I would say that at this point then, if you want to continue your remarks, the committee should find someone else to sit in the chair until such a time as you're in a position to take the chair. But in any event, the chairman does have to leave and attend a meeting. On the other hand, you know, you may want to recess at this point and then come back . . .

**A Member:** — How long are you going to be gone?

**Mr. Chairman:** — Oh, I'll be gone for the rest of the morning.

**Mr. Lyons:** — Well actually, Mr. Chairman, I think that's a good point of order because it then ends up with Mr. Hopfner speaking to himself if he's outside the chair and he's occupying the chair at the same time.

Mr. Chairman — The simple would be for Mr. Muirhead, as the most senior person, to just take the chair to let Mr. Hopfner finish and then turn over the chair when he's done. If you would, Mr. Muirhead. Thank you. I have a speaking list here. I might suggest, too, that you take a break to allow Mr. Anguish to have a smoke. I think we wanted to restrict him but not reform him.

**Acting Chairman:** — Michael, did you want to continue now and have our break afterward, or have our break now?

**A Member:** — We'll wait.

**Acting Chairman:** — We'll have our break.

The committee took a short recess.

**Acting Chairman:** — . . . Michael Hopfner, and as soon as Michael is through he'll take the chair, seeing he's vice-chairman.

**Mr. Hopfner:** — Thank you, Mr. Vice-Chairman. I guess probably there's just a couple points that I wanted to bring to the attention of the committee, and maybe we could then move on fairly quickly — is that I don't think anybody is meaning to be devious to the point of trying to gain a consensus through this motion by bringing in these people to be in an adviser capacity, or whatever. I think basically that itself will work out as to whether the auditor himself can answer the question that is being asked of him, or if he has to ask his advisers from the private auditors for some information so he can answer the committee. If he can't, well then possibly those auditors may have to speak, as I think his advisers have spoken for the auditor on previous occasions. So I don't see any big problem with that, as the members of the opposition have been trying to insinuate that there would have.

And then when the member from Saskatoon South, as I was stating and wanted to state earlier, made the accusation that the reports of the private auditors were useless reports, well I don't believe for a moment that the Provincial Auditor had pointed that out at all in the report when he submitted his report, along with the private auditor's report in the '87-88 tabled document, his tabled document, that the private auditors' reports were useless.

I would image that he's more of a professional than that, to make such a statement, or even accept a useless document from another auditor. So I just wanted to point out that maybe the member from Saskatoon South should vote in favour of the motion, basically on those grounds, that if he feels the report itself is useless, then maybe with those auditors being present in this room, in this committee, then he can make that statement to the private auditors himself and/or ask useful questions of those particular auditors in whatever form they so happen to end up in this committee.

So with that in mind, Mr. Chairman, is that we know, as you had indicated earlier, that this committee has the rights to call witnesses, but if we're going to show that co-operation as all members of the committee, and want to get on with the workings of the committee and get into the auditor's report, as members of the opposition want to do, well then we want those people forward.

And that's all we are asking, is vote in favour of the motion. Let's have the particular auditors that are involved with the Provincial Auditor, whether it's in the advisory capacity or whatever, to be here. And if they cannot . . . if that sort of question does not allow them to be in the advisory capacity to the auditor, then they may have to move over into the witness side of a particular question.

And that's going to depend on the questions that are asked in this room — straightforward, straightforward questions. It depends on the questions that will be asked as to whether the people from Price Waterhouse or Clarkson Gordon or any of these people are going to be able to qualify themselves as in an advisory capacity or in a witness capacity. That's all we're saying. Thank you.

**Mr. Martin:** — I'll make my remarks brief. We know that there are different styles of audits. Clarkson Gordon uses their style. Peat Marwick uses their . . . Price Waterhouse, etc. So they all have their own styles, as I understand it, but in the final analysis an audit is an audit is an audit. There are, however, obvious contradictions, or at least there seem to be, between the Provincial Auditor and the private sector auditors doing Crown work.

We feel it's important that these real or these perceived differences be clarified to the satisfaction of the provincial legislature or Legislative Assembly and to the people of the province, who ultimately both the Provincial Auditor and the private sector Crown auditors answer to.

Also we feel it's necessary that clarification regarding accessibility to information to private auditors and to the Provincial Auditor is needed. That's really all I have to say.

**Mr. Wolfe:** — A couple of comments. I think the main role, as I've said many times before, of this committee is accountability. I think the best way to ensure that is to have all people, all auditors present, to ensure that accountability, especially in light of the 1988 report.

And I'd also like to repeat Mr. Hopfner's comments that have a bit of concern about someone questioning the value of a private audit. And if there is truly a concern by the members opposite about the value of private audits and the quality of the audits they perform and the way that they're presented in the Provincial Auditor's report, I think it's their responsibility to ensure that that's clarified.

I would hope . . . I would think that they would really want to support this motion because I feel it's very important that we get to the root of the problem. And I think we have to do that. Thank you, Mr. Chairman.

**Mr. Anguish:** — I differ with some of the things that you, Mr. Vice-Chairman, said in terms of, I think . . . (inaudible) . . . called about the private sector auditors' reports being useless. They aren't useless, but they have a different purpose than the auditor's report that we receive. And I don't think anybody here ever said that we did not want other auditors in the room. I think it's important to get all the information.

But to point out the difference, I thought the quote that's used from *Accountability and the Audit of Government* by E. L. Normanton is very revealing. And all accountants might use a little bit different procedures in the private sector, but certainly they all follow generally accepted accounting principles, and that's where they finally get to the point of having consistency in audits.

And I'd just like to read the quote from page 14, auditor's report. It says:

To be accountable means, as any dictionary will confirm, to give reasons for and explanations of what one does. But a certified financial account rarely provides explanations, and it never gives reasons. It does not as a rule even contain much detail of what actually has been done. A final account must be technically correct and is therefore a device essential to the prevention of fraud. It is not, however, an adequate public record of policy and transactions during the period concerned. A financial account on any large scale hides far more than it reveals . . .

This is important because bodies exist which receive and spend public funds but which do not explain their annual accounts. They have them certified as the law demands, but the accounts are not subjected to a detailed independent scrutiny. They present a financial facade which in the present state of the law is impenetrable. Such bodies are not really accountable for the moneys which they receive. In the sense of a discharge of public responsibility, accounts without the possibility of explanations are to all intents and purposes worthless. They leave to the body

concerned the administrative liberty to do almost anything, and then cover up afterwards. It would perhaps be less misleading to render no accounts at all.

Now these aren't the words of the Provincial Auditor, these are the words of a credible author who has some expertise in the accountability in the audit of government, and governments are different from private sector firms.

Auditors that do audits for the Crown corporations present what they believe to be a picture of the financial state of whatever the client is that they're auditing. And you know very well, all members know very well, when we see an annual report in the legislature, whether it's audited by the Provincial Auditor or whether it's audited by private sector auditor, there's not the information that's contained in the Provincial Auditor's report, therefore a very big difference between private sector auditors and public sector auditors.

But I don't think that this committee's job is to be caught up in a turf war between the accounting profession, those that audit for the public and those that have expertise in private sector auditing. It's not the role of this committee to get caught up in that kind of a war between people in the auditing profession. In fact, I think it was Mr. Andrew, the Minister of Justice, who described it as a professional disagreement about accountancy. Well maybe there is a professional disagreement, but that would be a minor, minor role of this committee.

Surely to goodness, the public, and even members of the government, if you switched it around and we were in government and an auditor reported that he now sees financial transactions of about 50 per cent of public spending, that should be alarming to all members of the Legislative Assembly, and if it's the intention of government members to stay away from the damaging information, it doesn't have to be made political.

We wouldn't have to utter a political statement, and something like that is politically damaging for any government, so I would think that before you came around to election time you'd want to correct deficiencies like that and not attack the Provincial Auditor, because he only sees now about 50 per cent of government spending. So if I go back to Mr. Normanton's words, there's 50 per cent that we can't do our job on because the detailed information does not exist on 50 per cent of the government spending.

Another assertion that I think all members should be concerned about, rather than the turf war about the accounting profession, public versus private, will be that when reliance on the appointed auditor is not justified, it is no longer possible to carry out the work not done by the appointed auditor. That's an opinion, I suppose, more so than the first one, but the first one is fact. And I don't know how we could question the fact of the auditor that he now sees about 50 per cent of the public spending.

My goodness, gentlemen, we're talking about billions of dollars that there's no public accountability for. It would be different if that money came out of your pocket and you were in an independent private sector business, but

it's certainly another story when you're not dealing with your money. You're dealing as the custodian, or supposedly the custodian, of the taxpayers' dollars, of which they look at members of the Legislative Assembly and the system here to see that their dollars are protected and spent in the best interests of people in the province.

And the third point that I would think that all members should be very concerned about, that's on an issue of accountability, is that the auditor says, I am being denied access to information. Being denied access to information — what a serious charge. What a very serious charge.

I would like to ask the auditor, and I think that I brought this up in a previous committee meeting about a year ago, is whether or not the auditor has looked at the possibility of taking legal action on the government, similar to what Kenneth Dye did, the Auditor General, because when the Auditor General for Canada was being denied access for information, he took legal action and ended up ultimately, I think, getting access to the information that he was being denied.

And at this point, I'd like to ask the auditor whether or not you have considered using the judicial system or legal avenues that you may have, similar to the Auditor General to get the information that you're being denied access to.

**Mr. Vice-Chairman:** — Mr. Anguish, can I get you back on track. We're on the motion here.

**Mr. Anguish:** — We are on the motion. I recall Mr. Wolfe this morning, Mr. Chairman, asking many questions of the auditor.

**Mr. Vice-Chairman:** — The chairman put it back to the motion so I'm just . . .

**Mr. Anguish:** — After now many times? I asked one question.

**Mr. Vice-Chairman:** — I'm just back on what the chairman is doing here, so I would just ask you to deal with the motion, and then we can ask that . . . I'm not preventing you from asking that question. You can ask it later.

**Mr. Anguish:** — I withdraw the question, Mr. Chairman. I don't wish to ask that question at this time because I want to deal with the issue at hand, which is the motion.

**Mr. Vice-Chairman:** — Thank you.

**Mr. Anguish:** — I wanted to point out that there are very serious concerns that go beyond any politics. And if the tables were reversed, I could imagine that the wrath of your members would come down on a different government, or if it was a Liberal government, or if it was a Social Credit government. And the reason the wrath would come down is not because of one of politics in such a report as this, it's one because of the damaging information that's revealed by a Provincial Auditor on the financial accounts of the Government of Saskatchewan, of the taxpayers' dollars in the province.

One, cannot see 50 per cent of the public spending; two, there's some opinion as to whether or not the work as been done by the appointed auditor; three, being denied access to information. And these are all very serious charges.

I have not at this point said as to whether or not the auditors of the private sector should or should not be here. In fact, I'm inclined to think that maybe they should be here. But I do find a great deal of difficulty in putting an officer of the Legislative Assembly in a confrontational role with a private sector auditor.

Now Mr. Wolfe said it doesn't have to be. But Mr. Muirhead in his description, I am very concerned about what would happen with private sector auditors as witnesses and our public sector auditor, the Provincial Auditor, sitting at the other end of the table. Like the issue is not one of getting into a war between auditors, the issue is one of public accountability.

And if we have your assurance, or at least if I have your assurance as an individual member that you don't want to create this into a turf war and continue and further the attack on the Provincial Auditor, then I'd be happy to see some auditors come in here as a very brief explanation as to not whether the auditor is right or wrong, but as to why they're denying information to the public accountability process.

So it's not the auditor that's on trial here, it's the system that's on trial, and it's public accountability that's on trial. And I think that it would be very damaging to all members of this committee if the idea is to get the private sector auditors in here to have a war between accountants so that you can find some way to try and cover up what is being said in the auditor's report.

If you don't want to cover up what's in the auditor's report, then I think we should get on with the work of the committee and have the auditors come in to explain, but not to put them into a confrontational role with the Provincial Auditor.

And I would hope that we could have your assurances of that, because if you do put the auditor into a confrontational role — the Provincial Auditor with the private sector auditors — you destroy the system of accountability. It has the danger, at least, of destroying the system of public accountability because they're not our dollars, they're taxpayers' dollars we're dealing with. And I think that you would be very sad if you ever sit in opposition and find that you cannot bring a government of the day to account for the spending that they're doing, not of their own money but that of taxpayers of the province.

**Mr. Muirhead:** — Thank you, Mr. Chairman. Well it's very clear that members opposite are not seeming to understanding what we're trying to do here. It is very obvious that a few weeks ago, or some days past, that there was a public fight throughout this whole province about the statement made by the Provincial Auditor. And Mr. Andrew did not agree with some of the statements and it got to be an issue. Now whether he be right or be

wrong, the Premier said, settle it down here in public accounts. That's exactly what he said: we'll discuss it further down here.

So I feel that the members opposite will definitely vote for this motion. If they don't, well then they're not wanting to find the truth out, because that is what we're offering you, is to bring in any witnesses — you can call any witness you want . . . (inaudible interjection) . . . Yes, but we want it in every instance, so you don't go out of here afterwards and saying that it's a cover-up.

We're offering to you to bring in a private auditor in every case where there's a Crown involved and ask him questions, and if they can't answer you, you the opposition, the NDP members, if they can't answer you in a right and proper manner and you're not satisfied, well then go out.

**A Member:** — That's the person they have to answer to, the Provincial Auditor.

**Mr. Vice-Chairman:** — Order.

**Mr. Muirhead:** — There's the problem, as Mr. Lyons said, that he's . . . I don't agree with him, because it's the Provincial Auditor that has made the statement. He has made the statement that there's 50 per cent of the money not accounted for. He's made this statement.

Maybe we don't agree with that statement. So if you get the private auditor sitting here as witnesses and ask them where the other accountability is for the other 50 per cent or whatever it be, and if they can't answer you, then Mr. Lutz is right, and if they can't, he is wrong. It's as simple as that, and that's why we're offering you this opportunity. I'm quite happy to go ahead and vote on this motion right now, Mr. Chairman.

**Mr. Vice-Chairman:** — Well, there hasn't been a question called, so . . .

**Mr. Wolfe:** — Just want to make it clear there's no attempt by members on this side to attack the Provincial Auditor in any way. Provincial Auditor has questioned the private audits, as I understand it, and we'd just like to clarify that, and I think the members opposite would like to clarify that, too, for everyone.

The comment's been made that there's over 50 per cent of the public money and public spending that hasn't been accounted for. Well then, what's the value of any private audits? This isn't the first instance that private auditing has been done. Private auditing, as I understand it, has gone on for over 10 years. Potash corporation was initiated by previous government. So if there is a concern by members opposite or by the public with the value of private auditing or the reports that are made to this committee and to the public, then I think that we have a responsibility to everyone to clarify that matter. And I'd just like to do that.

The quote that was made about accountability by Normanton questions, as I understand it, auditing practices of certain groups.

So I think if that question's been raised by the Provincial Auditor and if it's been raised by the opposition members, then I think we have a responsibility to have them here and have them here in each case because we do not want to be hiding anything. We just want to air the facts.

As far as confrontation, I don't see how that should be a problem. Everybody has an opportunity to ask questions. If there's a conflict, this is obviously the place to have it cleared. If there's a concern, it's the place to have it taken care of. So I would hope that the opposition members will support the motion.

As far as the amendment, as far as bringing in individuals, I think possibly an arrangement could be made ahead of the scheduling for the agenda. If you had concerns, or the Provincial Auditor or the private auditors, with individuals, you could possibly address them through the chairman and the vice-chairman and bring those up.

**Mr. Lyons:** — Are you going to vote for or against the amendment?

**Mr. Wolfe:** — Well I think the way that the amendment is laid out there it really doesn't state anything. We have that power, as we understand it. The only thing is that we don't know the individuals at this time that you might want.

We know that in each case where there is a private auditor that has prepared a report for the government, we're requesting that that private auditor be here for the provincial government . . . (inaudible interjection) . . . No, no, but just so we're clear here, that what we're trying to do is just open everything up to everybody.

We're not precluding the possibility of bringing in any other witnesses at any time, and we want to do that. So I would support the motion. But I have a problem with the amendment, and only because it doesn't clearly detail who it is that you want. You can cross that bridge each and every time when we get there.

**Mr. Vice-Chairman:** — The question's been called. We'll deal with the amendment to the motion where the amendment says that, of corporations fully or partially funded . . . I don't where we're all at here on this one.

**Mr. Robert:** —

and that other officials of corporations fully or partially funded by tax dollars also may be summoned to appear before the Public Accounts Committee.

**Mr. Vice-Chairman:** — Okay, the question has been called. I'd ask all those in favour of the amendment, please indicate. Opposed? Negated.

And then the question to the motion. The amendment's lost. All those in favour of the motion, please indicate. Opposed? Carried.

**Mr. Lyons:** — On a point of order, Mr. Chairman. In all due respect, in cases of this sort, I think if you want to check on precedent in committees, that when there is a

tie vote, the Chairman votes to negative the vote. And I think if you, I think if you . . .

**Mr. Vice-Chairman:** — Your point of order is not well taken.

**Mr. Lyons:** — No, this is a point of . . . and I'd ask the Clerk to check that, given the common practice in this House.

**Mr. Vice-Chairman:** — No, I don't think so.

Order, please. Mr. Anguish, order please, we're trying to get . . . Can I get some order here, please. Let's get the . . . Well anyway, I've ruled on it and I've said the motion was in order.

Now listen, being that was the only thing on the agenda, and being close to 10:30, do you want to entertain a motion of adjournment or is there anything else . . .

**Mr. Anguish:** — Before we do that, what's on for Tuesday?

**The Vice-Chairman:** — The Chairman hasn't given me any direction in that regard.

**Mr. Lyons:** — Can I put forward as . . . without trying to appear controversial, but as a suggestion, that given the auditor's report, we follow past practice and start and go through the auditor's report and then deal with the things as we come to them, unless there's specific concerns and directions otherwise. That we deal first of all, in other words, with what the auditor terms as current issues of importance, and then we move in dealing with that into the other items that are contained in the report.

**Mr. Wolfe:** — I'm not sure. I think we need some time to sit down and think about that. I think you'd probably have to talk to the Chairman.

**A Member:** — Sit down and think about tradition?

**Mr. Wolfe:** — Not tradition. Wait, are you suggesting . . . okay, we've got a motion that was just passed here and the motion, you know, deals with bringing in the private auditors. Somehow we have to accommodate them. We have to find out . . .

**The Vice-Chairman:** — It was left with the Chairman and the Vice-Chairman to get together, and we haven't been able to because Mr. Van Mulligen wasn't able to be around, so I think we'll just leave with that, and I will get together with him when he calls me. Okay?

The committee adjourned at 10:15 a.m.